IOI REPLACES FORM 10-101 WHICH MAY BE USED.

FORM NO.

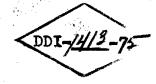
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MEMORANDUM FOR:

(47)

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2 3 MAY 1975



MEMORANDUM FOR: Deputy Director for Administration

Deputy Director for Intelligence V
Deputy Director for Operations

Deputy Director for Science & Technology

SUBJECT:

FY 1976 Operating Plan and FY 1977 Program

less than our 1976 reques based primarily on the Southeast Asia withdrawal but also taking into account current attitudes toward covert action activities. A similar percentage reduction in 25 our Transition Quarter request is likely. We do not expect Congress to act on our appropriation, however, until sometime in the fall after our OMB budget for 1977 has been prepared. Thus, we will be faced in	5X1 5X1 5X1
July with the difficult task of developing operating plans for 1976 and the Transition Quarter with the threat of a substantial congressional reduction but with no firm information on the size of that reduction. This in turn complicates the development of our FY 1977 OMB submission which must bear a realistic relationship to the FY 1976 base.	
2. After considering the options available, we conclude that the most reasonable course of action is to develop recommendations for the 1976 and Transition Quarter operating plans based upon a realistic assessment of the impact congressional action will have upon our resources. Accordingly, as discussed with you at our Comptroller's meeting of May 20, we plan to recommend to the Director in July a total 1976 program of about and a program for the Transition Quarter.	i t
3. To permit you to develop your best estimates of the 1976 and Transition Quarter programs you wish to pursue, we will not now reduce, in anticipation of congressional action, the control numbers issued in our memorandum of 24 April 1975 totaling for 1976 and 25 the Transition Quarter respectively. Clearly, however, the impact of an	5X1
anticipated reduction will be felt most directly by the DDO and.	

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though considerably less, by the DDA. Bearing in mind that the congressional reductions discussed to date have been directly related to Southeast Asia and covert action, we anticipate that about
Despite your most conscientious efforts we may have to recommend further reductions in the 1976 and Transition Quarter programs you submit in order to approach the
4. Financial Guidance letters issued after the Director's July review, in addition to advising you of your control numbers, will include instructions relating to the incurring of obligations during 1976 and any restrictive measures which may be considered necessary in light of the best information available at the time about expected congressional action on our 1976 request. When congressional action has been completed, we will propose further recommendations for our joint consideration.
Asting Comptuallor
Acting Comptroller

AO/DCI cc:

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